

**Producer Advisory Council
Meeting Minutes**

**September 19, 2012
12:00-1:30pm
Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202
Conference Room 110-D**

Council Members:

Colorado State Association of Health Underwriters
Long Term Care Forum of Colorado
National Association of Insurance & Financial Advisors
Professional Independent Insurance Agents
Rocky Mountain Insurance Information Association
Society of Financial Service Professionals
Industry
Industry
Industry

Individual Contact:

Dorothy Marshall
Tammey Sullivan
Hartman Axley, Coleen Love
Gary Frisch
Carole Walker
Janet Van Dorn
Steve Caldara
Doris Stipech
Roy Webb

Division of Insurance:

Commissioner Riesberg, Paula Sisneros, Jo Donlin, Pat Knepler, Bobbie Baca, Caryn Berumen

Commissioner's Update

- Consumer protection - consumer protection begins with the insurance agent.
- The Division's complaint process –
 - ♦ The Division can advocate on behalf of a consumer only if the Division has the consumer's permission to do so; and
 - ♦ The Division provides a complaint report to the General Assembly every year in October.
- Wildfire update - Homeowners need to be informed on how to purchase a homeowners policy. Consumers should purchase a homeowners policy based on what it will cost to rebuild their home (construction cost).
- NAIC – Commissioner Riesberg became an officer of the Western Zone at the NAIC's summer session and as a result the Commissioner is now a member of the Executive Committee of the NAIC.
- PPACA – Dorothy Marshall asked if insurance agents will be provided guidelines on PPACA. There is confusion over state regulation and federal regulation. The Division is currently working on regulations that will provide some guidance. However there are other issues that require harmonization between the feds and the states and that harmonization usually requires legislation. Everyone is focused on the cost to enroll the anticipated 150,000 to 200,000 consumers in a timely manner. CoverColorado may not go away.

Healthcare Reform – Supreme Court Ruling

Jo Donlin provided a quick update: Nothing changed. There are still a lot of questions regarding the Supreme Court's decision on Medicaid and allowing states to make decisions.

Strategic Communication Plan

Sarah and Jeff with MGA Communications presented the Division's Strategic Communications Plan. The Division has contracted with MGA in order for them to assist the Division in positioning itself as the go-to source for insured Coloradans seeking credible information on health care insurance in Colorado. Contact Jo Donlin to provide any additional comments and/or suggestions on how the Division can get the message out or to provide information regarding events for the Division to attend.

Rulemaking Update

The Commissioner adopted all the rules, as proposed, that were heard at the August 16, 2012 rulemaking hearing. This included regulation 1-2-4, Continuing Education Requirements for Licensed Insurance Producers.

NCCI E-mod Calculations

Pat Knepler gave a presentation on the NCCI split point revision that affected the experience modification factors. Experience rating calculation is the ratio of the actual losses to expected losses in workers compensation. The split point had not changed since the late 1980's and claim costs have jumped significantly. The Division will hold a hearing on September 24, 2012 to review the NCCI's rate filing.

Wildfires & Value Policies

Bobbie Baca gave an update regarding the wildfires in Colorado this past summer. Division staff spent approximately 244 hours at the various disaster recovery centers and community meetings. The Division had 350 consumer contacts from all 4 fires. As of the date of the PAC meeting, the Division had received 30 consumer complaints (20 from Waldo Canyon fire and 10 from High Park fire). There was a brief discussion regarding value policies. Bobbie Baca informed the council that Colorado is not a value policy state; however there may be legislation in the 2013 Legislative Session to allow value policies to be written in Colorado. A value policy is essentially a face value policy where an appraisal of the house is not required.

Action Items

- Next meeting December 13, 2012